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ECB lifts rates to 2.50%: what it means for Irish borrowers and treasury

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The ECB raised its deposit rate to 2.50% from 16 September 2026, its second rise this year. Irish tracker mortgages, variable loans and corporate debt linked to Euribor will cost more.

Country reference

- Country: Ireland (planned expansion country)
- Authorities: European Central Bank; Central Bank of Ireland
- Topic: ECB monetary policy decision and Irish impact
- Key date: Decided 10 September 2026; effective 16 September 2026
- Law: ECB Statute

The decision

- Deposit facility rate 2.50%; main refinancing rate 2.65%; marginal lending rate 2.90%.
- Up from 2.25% after the June 2026 rise; the deposit rate had been 2.00% from June 2025.
- The ECB cited inflation pressure from the Middle East conflict.
- Projections: inflation 3.0% in 2026 and 2.5% in 2027; growth 0.9% and 1.4%.

Effect in Ireland

- Tracker mortgages move directly with the ECB main refinancing rate.
- Variable-rate loans and Euribor-linked corporate facilities reprice at reset dates.
- Deposit and money market returns improve for companies with surplus euro cash.
- Higher discount rates weigh on property and investment valuations.

What to do now

- Update 2027 interest cost forecasts and covenant tests.
- Review the fixed/floating mix and hedges on euro debt.
- Move idle cash into higher-yield deposits within treasury policy.

Context

- The US Federal Reserve also raised rates in September 2026, to 3.75% to 4%.
- The ECB says it will decide meeting by meeting, with no pre-set path for rates.

Our take

After a period of cuts, euro rates are rising again. Irish companies with floating debt should act now rather than wait for the next ECB meeting.

Sources

- ECB: Monetary policy decisions (10 September 2026)
- ECB: Key ECB interest rates
- Federal Reserve: FOMC statement, 16 September 2026

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